

THE STATE OF MICHIGAN 1915(b)/(c) PROGRAM

Project Name:	Medicaid Prepaid Specialty Mental Health and Substance Abuse Services and Supports for Persons with Developmental Disabilities
Project Approval:	June 26, 1998
Current Renewal Approval:	February 20, 2001
Current Renewal Expiration:	March 13, 2003

Program Summary

The purpose of the waiver program is to provide people in Michigan with mental health needs, substance abuse problems, and developmental disabilities an opportunity to receive a wider array of services under a person-centered planning approach than previously permitted under Medicaid fee-for-service. The waiver was formally approved on June 26, 1998, and was implemented on October 1, 1998.

The original terms and conditions of approval required the State to (1) competitively bid contracts under the waiver program within four years, and (2) submit a transition plan within two years detailing how the State plans to shift from non-competitive, sole source contracting to competitive procurement. This plan was submitted with the renewal application on September 29, 2000.

In its transition plan, the State concluded that competitive procurement is impractical and presents a justification for non-competitive procurement with qualified Community Mental Health Services Programs (CMHSP) for initial consideration to operate as the specialty PHP for a designated area. The State does not preclude from obtaining specialty PHP services from private organizations if a CMHSP cannot meet State specifications. This plan was approved with the renewal of the waiver with terms and conditions.

Health Care Delivery

Medicaid specialty mental health, substance abuse and developmental disabilities supports and services are managed and delivered under a prepaid shared risk arrangement.

Under the program, county mental health boards provide specialty services under a non-competitive, sole source arrangement. Currently, under State law, county mental health boards are the traditional providers of specialty mental health and developmental disability support services.

Benefit/Service Package

Specialty mental health and substance abuse services and developmental disabilities supports and services.

Cost Effectiveness

This waiver is cost effective as the capitation rates were developed under the approved UPL.

July 8, 2002

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Special Features

N/A